



NORTH CAROLINA GENERAL ASSEMBLY

REPORT OF THE JOINT SPECIAL COMMITTEE
TO REVIEW THE DEPARTMENT OF TRANSPORTATION

SUBMITTED TO THE MEMBERS OF THE 1983 GENERAL ASSEMBLY

Representative Allen Barbee,
Co-Chairman
Representative Martin Nesbitt
Representative Paul Pulley
Representative Margaret Tennille
Representative Dennis Wicker

Senator Ollie Harris,
Co-Chairman
Senator J. J. Harrington
Senator Craig Lawing
Senator Sam Noble
Senator R. P. Thomas

December 6, 1982

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NORTH CAROLINA GENERAL ASSEMBLY

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November 18, 1982

The Honorable James C. Green
Lieutenant Governor and President of
the Senate
N. C. General Assembly
Legislative Office Building
Raleigh, North Carolina 27611

The Honorable Liston B. Ramsey
Speaker of the House of Representatives
N. C. General Assembly
Legislative Building
Raleigh, North Carolina 27611

Gentlemen:

The 1981 General Assembly passed House Joint Resolution 1225 (Resolution 60) creating the Special Committee to Study the Department of Transportation. This Committee has met diligently during 1982, working with Secretary of Transportation William Roberson and other departmental officials. The Committee has monitored the Department's progress in carrying out statutory directives contained in Chapter 859 of the 1981 Session laws and the suggestions of the 1981 Select Committee to Study the Department of Transportation. The Committee also investigated additional areas.

The Committee submits the attached report. To highlight the Department's progress in the past 18 months, the Committee found that by carrying out the General Assembly's recommendations, directives, or base budget actions, the Department saved, avoided spending, or increased fund availability by approximately \$45 million over the biennium.

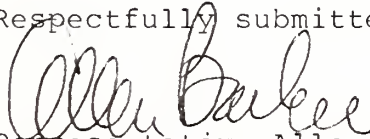
On its own initiative, the Department has made additional cost improvements for significant savings. Additional findings and recommendations are continued in the report.

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The Committee recommends that its work be continued, and draft legislation to do so is included in the report.

The Committee commends the Board of Transportation, the Secretary of Transportation, and other departmental officials for their good work in carrying out the major shifts in transportation funding policies directed by the 1981 General Assembly.

Respectfully submitted,



Representative Allen C. Barbee
Acting Co-Chairman
Special Committee to Study the
Department of Transportation



Senator Ollie Harris
Acting Co-Chairman
Special Committee to Study the
Department of Transportation

cc: Members of the General Assembly

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- A. Resolution 60
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I. History

During the 1981 Session of the General Assembly, Lieutenant Governor Jimmy Green and Speaker of the House Liston Ramsey appointed a Select Committee to Study the Department of Transportation. In April, 1981 this Committee reported their findings and recommendations to the General Assembly. A number of these recommendations were included in Chapter 859 of the 1981 Session Laws (the Appropriations Act).

In July, 1981 the General Assembly also passed Resolution 60 which authorized the Speaker of the House and the Lieutenant Governor to appoint a Special Committee to Study the Department of Transportation. The intent was to continue the work began by the Select Committee and to oversee the Department's efforts at improving efficiency.

The Speaker and Lieutenant Governor appointed Representative Allen Barbee, Speaker Pro-Tem, and Senator Ollie Harris as Acting Co-Chairmen of the Special Committee.

Members of the Committee are:

Senator Ollie Harris, Co-Chairman	Representative Allen Barbee, Co-Chairman
Senator J. J. Harrington	Representative Martin Nesbitt
Senator Craig Lawing	Representative Paul Pulley
Senator Sam Noble	Representative Margaret Tennille
Senator R.P. Thomas	Representative Dennis Wicker

The Committee met throughout 1982 and worked very closely with the Secretary of Transportation, Bill Roberson, the Highway Administrator, Billy Rose, the Commissioner of Motor Vehicles, R. W. Wilkins and their staffs. This is the report of the findings of the Special Committee.

II. SUMMARY OF CHANGES: 1981-83

Major Policy Shifts

1. Maintenance Budget: 1981-82 over 1980-81 - Increased
\$86 million
2. Construction Plans: Cut Projects totalling \$1.2 billion
3. Sale of excess Rights-of-Way 1981-82 \$392,400 sold
Future Plans 1,200,000
4. Non-Construction Contracts with Private Firms: Reduced
by average of \$9.0 million annually
5. Projects eligible for federal-aid funded with 100%
state funds: 6-Year Average - 1975-80 \$42.3 million
1981-82 \$ 7.2 million

Departmental Operations

6.	Crew Size reductions	\$5.7 million*
7.	Reorganization of Division of Highways	3.0 million*
8.	Bridge inspection (Future)	1.5 million*
9.	Equipment Unit Supervisory Reductions	1.2 million*
10.	Other Personnel Cuts - 1981-83	9.3 million*
11.	Equipment Purchase Reductions (2-Yrs.)	18.7 million
12.	Shift of liability to Equipment Fund	2.3 million
13.	Less driving state vehicles home	.176 million*
14.	Increase use of prison labor	1.9 million*
15.	Reduce employee lunches	.325 million*
16.	Board and Administrative Cutbacks	.115 million*
17.	Use of recycled asphalt	.8 million

\$45.0 M

*Annual changes that should continue total \$23.2 million

III. Report on Implementation of 1981 Recommendations of the General Assembly

The 1981 Select Committee and the General Assembly prepared a number of recommendations and adopted policy directives for the Department of Transportation to follow in order to save money and operate more efficiently in an era of declining revenues. The Special Committee has reviewed the Department's work in following these recommendations and reports the following results.

A. Construction Program

1. Shift in Priorities. The Committee found that of the new funds available for 1981-82, 64% had gone into maintenance and ferry operations, and 31% into new construction. This is consistent with a shift to more maintenance funding. This included \$80 million in 1981-82 and \$71 million in 1982-83 for contract resurfacing of existing roads. Non-secondary road state construction appropriations fell from \$79.4 million in 1979-80 to \$17.6 million in 1981-82, while maintenance appropriations increased from \$161 million in 1980-81 to \$247 million in 1981-82.
2. Revision of 7-Year Plan. The Board of Transportation revised its construction program as directed in Section 74 of Chapter 859 (1981 Session Laws). This revision eliminated 95 projects with projected costs of \$1.2 billion. Another 19 projects were reduced in scope. The plan has a more realistic time schedule based on projected funding at 1981 levels.

The Committee finds the criteria for setting priorities, such as current traffic levels and continuity of the state system, are reasonable and objective.

3. Right-of-Way Purchases:

- a. 1981 Gen. Assembly revised G.S. 136-49.11 requiring that requests for funds to purchase rights-of-way more than two years before scheduled construction must be approved by the Director of the Budget. The Department informed the Committee that compliance with this statute was incorporated in the schedule set forth in the Transportation Improvement Program.

The need to purchase advance right-of-way has occurred only on older projects which had been delayed, and the State needed to protect its investment with continued purchases or prevent hardship to property owners ready to sell.

- b. Minimum Right of Way standards have been reduced.
 - i. On secondary roads, from 60 feet to 45-50 feet.
 - ii. On freeways, median width has been reduced from 68 to 46 feet; and minimum requirement from centerline of nearest lane to outside limits has been eliminated.
 - iii. Shoulder and ditch widths have been reduced.
- c. Sale of right-of-way residues and surplus properties has proceeded.

For 1981-82, property was sold bringing in revenues of \$392,400 to Highway Fund construction accounts. The Department estimates that it will dispose of another 100 parcels during the first six months of the 1982-83 fiscal year.

The Department owns surplus properties valued at \$1.2 million which it will sell.

4. Use of Private Engineering Firms and Outside Consultants

The 1981 General Assembly rewrote G.S. 136-28.1(f) to require Advisory Budget Commission approval for engineering or consultant contracts exceeding \$10,000 in an effort to reduce the use of outside consultants. For a five year period (1977-81) over \$41 million in consultant contracts had been approved. For 1981-82 new consultant contracts totalled \$280,800, and for 1982-83, to date, new contracts total \$93,000. This contrasts with a \$9.1 million annual average for the four fiscal years preceding 1981-82. This is an annual reduction of \$8.9 million. Also, plans for the bridge inspection program will decrease the use of consultants for the federally-mandated program and could save \$3.1 million over a two-year inspection cycle.

5. Fully utilize federal funds for all construction projects eligible for federal aid.

The 1981 General Assembly amended G. S. 136-44.2 to require that any project eligible for federal aid would have to be approved by the Joint Legislative Commission on Governmental Operations, if the Board of Transportation proposed to construct the project with 100% state funding. The majority of the projects submitted for approval were eligible for a federal aid category which has not been funded for several years. Other projects are generally less than \$100,000 in cost and the use of federal aid would not be cost-effective on these small projects. A total of 280 projects on the federal aid system have been approved by the JLCGO, at a total cost of \$7.236 Mil. The average cost of each project approved is \$25,844.

Most projects approved were for spot-safety improvements, as indicated in the chart below.

<u>Type Project</u>	<u># Projects</u>	<u>Total Cost</u>	<u>Average Cost</u>
(a) Small Urban Projects	59	\$2,809,097	\$47,612
(b) Spot Traffic Safety Improvements	212	3,834,605	18,088
(c) Access and Public Service Roads	5	172,500	34,500
(d) Miscellaneous (Manteo and Dare Co. 400th Celebration)	4	420,000	105,000
Totals	280	\$7,236,202	\$ 25,843

6. Report to the General Assembly

Section 75 of Chapter 859 of the 1981 Session Laws (SB 29) directs the Department of Transportation to report to each member of the General Assembly how funds for maintenance and construction were allocated and expended the previous year. Summary reports for fiscal year 1980-81 and 1981-82 have been sent to legislators, and detailed, project-by-project, reports are available in the legislative library and the office of the Fiscal Research Division.

B. Departmental Operations

1. Organization

The Special Committee finds that the Department of Transportation has addressed the General Assembly's concerns on departmental organization in several ways. The 1981 Committee report recommended consolidation of smaller units, thus reducing administrative costs and capital equipment usage. In addition, Section 71 of Chapter 859 of the 1981 Session Laws mandated a reduction and more uniformity in maintenance crew-size standards.

- a. D.O.T. adhered to the mandate to reduce maintenance crew sizes. Through more uniform standards of maintenance activity, the Department eliminated 273 positions with an estimated annual savings of \$5.5 million. Over 20 major pieces of equipment have been eliminated for annual savings of \$200,000; and another 80 pieces of equipment will be eliminated this fiscal year.
- b. The Department reviewed with the Committee its plans for reorganization of the field administration of the Division of Highways. This reorganization will result in the elimination of 132 positions by 12/31/83 with savings in personnel costs of \$2.71 million. Reduced use of automobiles and pickups by this personnel will save an additional \$327,300.

This reorganization was reviewed favorably by the Institute for Transportation Research and Education (ITRE) under the direction of Bill Babcock, Director of ITRE and Professor of Civil Engineering at N. C. State University. Specific changes placed more professional expertise in direct maintenance operations at the local level, as well as eliminated some administrative overhead staff. In addition, better cost accounting for maintenance operations should result from budgeting maintenance supervision positions in the overall maintenance budget.

- c. The Department has developed plans to increase the number of state employees in bridge inspection which should save \$3.1 million in consultant contracts every two years. These funds would then be available for bridge replacement.

- d. The Department has restructured the supervision of its Equipment Unit. The proposal eliminated one middle level of supervisory staff, saving \$1.2 million annually by eliminating 46 positions. This will result in better coordination between the local equipment shops and equipment users in the field.

The Committee finds that these organizational changes have led to more authority and technical expertise at the field operations level, and have led to a substantial reduction in the number of complaints from citizens requiring attention in Raleigh.

- e. The 1981 Committee was concerned with the number of engineers in construction, while the number of construction projects have been reduced. The Department has reported to the Committee that over the 1981-83 biennium, it will reduce its pre-construction staff by 26%.
- f. Overall, base budget reductions and departmental initiatives have led to the elimination of 1,038 positions in the Department of Transportation over the 1981-83 biennium. An additional 300 positions were eliminated June 30, 1980. Total salaries related to these 1,338 positions is \$21.4 million. The positions mentioned in items a, b, and e above are included in these totals.

2. Equipment Unit

The 1981 General Assembly was concerned about equipment utilization rates, and felt that a slowdown in equipment replacement was needed to increase utilization. Section 70 of the 1981 Appropriations Act directed:

- i. cancellation of Highway Current Fund liability to the Equipment Fund,
- ii. the transfer of equipment parts inventory to the Equipment Fund, and,
- iii. limited the 1981-83 equipment purchase budget to budgeted depreciation levels.

The intent of these directives was to reduce funds available for equipment purchases in an effort to reduce equipment needs through higher utilization.

- a. Parts inventory of \$10.9 million was transferred to the Equipment Fund, in partial cancellation of the \$13.2 million debt from Current Fund operations.

- b. Another \$2.26 million was transferred from the Equipment Fund to the Highway Fund to complete debt cancellation. This \$2.26 million was available and was used by the General Assembly in the 1982-83 Highway Fund budget.
- c. Equipment purchase contracts for fiscal year 1981-82 were \$13 million, down from \$22.3 million in 1980-81. 1982-83 purchase contracts approved to date are \$9.8 million of an authorized budget of \$12.9 million. Thus, equipment purchases were \$9.3 million less in 1981-82 and will be at least \$9.4 million less in 1982-83 than the 1980-81 amounts.
- d. The 1981 Session adopted legislation restricting the use and permanent assignment of state-owned passenger motor vehicles. As a result, the Department of Transportation has:
 - i. Transferred 858 autos with a book value of \$601,000 to the Department of Administration;
 - ii. Reduced the number of vans, autos, and pickups permanently assigned to Division of Highways employees from 2,453 on 6/30/81 to 2,213 on 11/1/82, a reduction of 240 permanently assigned vehicles;
 - iii. Saved \$176,000 annually by reducing the number of Division of Highways employees driving state vehicles home.

3. Prison Labor

The Committee finds that the Department has increased the number of prison inmates performing maintenance work from 1,021 in 1980-81 to 2,000 inmates in 1982-83. This includes minimum custody inmates working with D.O.T. supervision and medium custody inmates working under armed prison guards. This program for medium custody inmates received increased appropriations of \$1.1 million in 1981-82 and \$2.0 million in 1982-83. It is funded by a total of \$1.75 million from the Highway Fund and approximately \$1.75 million from the General Fund.

The average daily use of all inmate labor has increased 60% from 1980-81 through 1981-82. The Department estimates that the use of minimum custody

inmates saved the Department approximately \$7 million in 1981-82. This represents increased savings of \$2.3 million over 1980-81 through increased use of minimum custody inmates.

The use of medium custody inmates also increased significantly in 1981-82. The Department now contracts for 848 medium custody (working under armed guards) inmates to work on highway maintenance, compared to 368 inmates in 1980-81. Use of medium custody inmates reduces idleness in the prison population and increases the services provided by the Department of Transportation, such as letter pickup, cleanout of drainage ditches, and clearing rights-of-way. Medium custody inmates spent 142,644 man-hours working on state roads in 1981-82.

4. Bid Rigging

The Committee investigated the status of changes made by the Department to improve bidding procedures for more competition in contract awarding. The Committee found that the Department had adopted numerous changes and was considering additional efforts. Changes included:

- a. Bidders and estimating procedures are more confidential, estimators use more statistical techniques, and reviews of estimates are made by a higher level of management and an audit committee.
- b. Resurfacing projects are being clustered in larger contracts to obtain lower prices.
- c. Future changes will allow contractors to bid on more projects with assurance that they will not be awarded more projects than they can satisfactorily complete.
- d. The Department is drafting regulations to govern the withdrawal of bids containing mathematical or clerical error.

The Committee found that civil settlements with bid-rigging contractors on highway projects in North Carolina totalled \$10.2 million, with an additional \$1.7 million to be paid in interest. By mid-July, 1982, payments of \$5.1 million had been received.

The Committee found that these funds are returned to the highway construction accounts from which rigged projects were funded, and the funds are available for reallocation by the Board of Transportation. The funds are not placed in Highway Fund revenues for appropriation by the General Assembly.

5. Employee Meals

The Committee found that the 1981 statute eliminating payment for employees lunches in non-overnight travel reduced expenditures in the Department of Transportation by approximately \$325,000 in 1981-82, with continued annual savings.

6. Reduction of Expenditures in Areas not Directly Contributing to the Transportation Program

The Committee noted that the following changes have been made.

- a. The General Assembly reduced the base budget of the Board by \$30,000 each year for the 1981-83 biennium.
- b. The Department eliminated 2 positions on its Public Information staff at a savings of \$33,000 annually.
- c. By holding Board meetings in Raleigh, reducing attendance at employee awards dinners, and cutting back on internal newsletters, the Secretary's office saved \$85,500 in 1981-82.

7. Use of Recycled Asphalt

The Department of Transportation has continued its use of recycled asphalt, particularly in resurfacing multi-lane freeways. The Department has:

- a. Completed resurfacing I-95 from Lumberton to the South Carolina line using recycled asphalt for a savings of approximately \$500,000;
- b. Contracted for resurfacing of I-95 from Lumberton to the Cumberland County line using recycled asphalt for savings of about \$300,000;
- c. Contracted for resurfacing of 3 miles of I-85 in Cleveland County using recycled asphalt.

IV. Additional Areas of Committee Inquiry

A. Vegetation Removal Policy

The 1981 Session of the General Assembly passed Resolution 56 which requested the Department of Transportation to develop policies to allow owners of signs and businesses adjacent to highway rights-of-way to selectively remove vegetation from the right-of-way if it screens the signs or businesses from view.

The Committee reviewed the draft policy and the procedures used by the Department to receive citizens' suggestions on the draft policy. The Committee found that the policy had been revised in response to citizens' comments to:

1. expand the proposed maximum cutting limits;
2. reduce the costs to the applicants; and
3. reduce paperwork and time required to process the permits.

The Committee voted to approve the revised policy to be presented to the Board of Transportation. This policy was implemented in 1981-82.

B. Review of 1982-83 Budget Requests and General Assembly's Actions

The Committee reviewed the Department's 1982-83 expansion budget priorities before the June, 1982 budget session. The Committee found the Department was requesting \$24 million to cover 1982-83 expansion requests. The top 11 priorities were funded by the General Assembly in the 1982 Session.

The following major budgetary changes were made by the 1982 Session:

1. Fringe benefits budgets for maintenance and construction crews were placed in the actual maintenance and construction accounts. This shift of approximately \$23 million allows some of these funds to be used to match federal aid and provides a more accurate picture of costs for maintenance and construction.
2. Base budget cuts of \$8.5 million were made, primarily from reserves for fringe benefits, reduced positions, and a freeze on merit salary increases.

3. The General Assembly increased contract resurfacing funds by \$4.4 million over the 1982-83 base, but total funding was still less than 1981-82.
4. Legislation allowed the use of up to 10% of contract resurfacing funds for widening narrow pavements on roads scheduled for resurfacing.
5. Administrative funds were shifted to field operations budgets in maintenance in keeping with the Department's reorganization plan.
6. The General Assembly funded the replacement of a state ferry, after the Board of Transportation prepared a study documenting the need for fleet replacement.
7. Actual Highway Fund revenues for 1981-82 were \$11.4 million higher than estimated in June, 1982. \$9.3 million of this amount was carried forward as a reserve to match federal funds.

C. Contract Resurfacing 1981-82

The Committee received reports from the Department that the contract resurfacing program funded by the 1981 General Assembly allowed the state to contract for resurfacing 3,300 miles of roads during 1981-82. This was about 400 more miles than originally estimated. The Department feels that this is less than the 3,600 miles of resurfacing required annually for five years to "catch-up" the maintenance backlog. The Department estimates it can contract to resurface 2,900 miles with the 1982-83 appropriation of \$71 million.

D. Secondary Road Paving Priorities

1. The Committee received a copy of a resolution passed by the North Carolina Association of County Commissioners which requested that a "working farm" be assigned the same number of rating points as a commercial establishment in determining priorities for paving secondary roads. The Department ranks unpaved roads in each county every two years based on the density of development and traffic volume on each road segment. Each commercial establishment adds 5 points to a road's rating.

The Department explained that farms directly impact a road's traffic count. Furthermore, since most unpaved roads would have at least one working farm, the impact of adding points is not likely to shift priority rankings significantly.

The Committee found that the Board of Transportation's Secondary Roads Committee was studying the rating system before the next ranking on July 1, 1983. The Committee feels the Board of Transportation will consider the issue when revising its rating formula.

2. The Committee also received a report on the use of Secondary Road Construction funds. This program receives $1\frac{3}{8}\%$ of the 3¢ motor fuel tax increase passed in 1981, resulting in a 1982-83 appropriation of over \$43 million.

The Committee found that these new construction funds were being shifted toward maintaining existing roads in accord with the General Assembly's policy direction. For example:

- (a) The Board of Transportation in December, 1981 directed that 20% of secondary construction funds available to each county must be used to improve existing paved roads.
- (b) For the first 9 months of 1982, 23% of secondary funds were used to improve paved roads, compared to 15% for the previous 5 years.
- (c) During 1982, 18% of funds were used to stabilize unpaved roads compared to 11% over the 1977-1981 period.
- (d) Funds used for new paving and grade-drain-stabilization projects declined from 68.5% 1977-1981 to 52.4% during 1982.
- (e) For the period 1977-1982, 2,110 miles of unpaved roads were paved with secondary construction funds (including bond funds).

E. Secondary Road Maintenance Allocations, 1982-83

The Committee reviewed the Board of Transportation's allocation of maintenance funds for the Secondary System. The Committee reviewed the following:

- 1. Routine maintenance funds of \$107.7 million for 1982-83 were appropriated to the secondary system. \$89.7 million of this is for road maintenance, with the balance going to bridge maintenance and other categories.
- 2. The formula to distribute road maintenance funds to the county level (as required by

G.S. 136-44.6) provided 72% of the funds on the basis of paved mileage and population and 28% of the funds on the basis of unpaved mileage.

3. Paved roads are more costly to maintain than unpaved roads when resurfacing costs are considered. The population factor used in distributing some of the funds is to represent traffic volumes.
4. 1982-83 contract resurfacing funds allocated to the secondary system totalled \$37.4 million. As a result of a new pavement evaluation system developed by D.O.T. and the UNC Institute for Transportation Research and Education (ITRE), the secondary system received 52.7% of contract resurfacing funds in 1982-83, compared to 54.5% in 1981-82. In other words, the secondary system absorbed 69% of the funding reduction, although it originally received 54.5% of the 1981-82 funds. This was related to the inclusion of a factor including the cost to repair roads with higher traffic volumes. Higher traffic roads are generally on the Rural Primary and Urban systems.

F. Federal Fund Prospects: 1983-85

The Committee received a report from the Department of Transportation on federal funds and state funds required to match federal funds. The Committee found:

1. While federal fund allocations for 1981-82 were \$168.6 million, "obligation ceilings" imposed due to appropriations and spending cutbacks limited the state to using \$151.1 million of these funds.
2. Federal funds for 1982-83 are estimated at over \$215 million, but budget stalemates in Congress have limited obligations to a level similar to 1981-82 obligation authority.
3. 1982-83 appropriations to match federal funds are \$14.2 million. In addition to this amount, the Committee found \$9.3 million in excess 1981-82 revenue was reserved to match federal-aid. Also, \$42.9 million in unallotted urban and primary bond funds are available to match federal aid. The total available during 1982-83 is approximately \$66.7 million.
4. The Department estimates approximately \$202 million in federal aid will be authorized each year of the 1983-85 biennium, requiring \$65 million each year in state matching funds.

5. More federal aid is targeted toward renovation of existing roads through requirements that portions of some programs be used to reconstruct, rehabilitate, and resurface old roads on the federal aid system.
6. Federal-aid estimates and accompanying state match requirements are tenuous, at best, and must be updated periodically throughout the budget year.

G. Driver's Licensing Program" Division of Motor Vehicles

The Committee investigated the Driver's Licensing Program operated by the Division of Motor Vehicles. The Committee was concerned by citizen complaints of long waiting times.

The Committee found that services at 119 part-time stations created a drain on examiner productivity. In the 71 full-time examination stations, each examiner can handle 30 to 32 applicants daily, at an average of 15.5 minutes per applicant.

However, at more rural part-time stations, some examiners see as few as 9 applicants per day. Meanwhile, waiting periods of up to 2 hours are endured by some citizens.

The workload for examiners has increased with the classification of driver's licenses, since two classes require a road test at each renewal. This was somewhat offset by the extension of the chauffeur's license period from two to four years.

The Division has received few complaints about the increased fee for a driver's license.

The Committee voted to recommend that:

1. The Division of Motor Vehicles close an unspecified number of part-time offices, keeping at least one full-time office in each county.
2. The Division of Motor Vehicles should experiment with extended hours in major urban offices to better serve the working public. By staggering work hours, some offices could remain open until 8 or 9 P.M.

V. Recommendations

A. Request for Federal-Aid Matching Funds

The Committee recommends:

1. The Appropriations Committees closely monitor Congressional budget actions which will affect:
 - (a) State matching funds not required in 1982-83;
 - (b) Obligational ceilings below authorized levels;
 - (c) Changing match ratios in various highway programs.
2. When some portion of a federal-aid project includes resurfacing, the Department of Transportation use, when appropriate, existing state appropriations for contract resurfacing to match federal funds, so long as the resurfacing portion of the project is equal to or exceeds the amount of state contract resurfacing funds.

B. Driver's Licensing

The Committee recommends:

1. In order to increase productivity of Driver's License examiners and to reduce waiting periods for license applicants, the Division of Motor Vehicles should close most of its part-time offices with low workloads, making an effort to keep at least one full-time office open in each county.
2. The Division of Motor Vehicles should stagger employees' work hours in order to extend office hours at Driver's License examining stations in heavily populated areas. Offices in these areas should remain open until 8:00 p.m. or 9:00 p.m. in order to better serve working citizens.

- C. The Committee recommends that the Special Committee to Study the Department of Transportation be continued for two years. The Committee feels that the continued monitoring of Departmental operations would be beneficial during lean economic times. The Committee's work has led to improved communications and understanding between the legislature and the Department and should be continued.

A P P E N D I X

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1981
RATIFIED BILL

RESOLUTION 60

HOUSE JOINT RESOLUTION 1225

A JOINT RESOLUTION AUTHORIZING THE SPEAKER OF THE HOUSE AND THE LIEUTENANT GOVERNOR TO APPOINT A SPECIAL COMMITTEE TO STUDY THE DEPARTMENT OF TRANSPORTATION.

Whereas, the Joint Select Committee to study the Department of Transportation has found that the Department has in recent years made no major policy shifts to address the growing problems of inadequate road maintenance and declining revenues; and

Whereas, the Department of Transportation's Seven-Year Construction Plan is unrealistic and should be revised; and

Whereas, supervisors, engineers, and managers of the Department of Transportation must accept the responsibility for the proper size, work habits, and productivity of the work crews; and

Whereas, the organization of the Department of Transportation should be reviewed with the goal of consolidating smaller units so as to reduce administrative costs, increase the flexibility of the work force, and eliminate duplication of capital equipment; and

Whereas, the Joint Select Committee to study the Department of Transportation has recommended that the General Assembly continue its review of the Department of Transportation;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

Section 1. The Speaker of the House of Representatives and the Lieutenant Governor shall appoint a special committee, consisting of a sufficient number of members of each house, to review the Department of Transportation, giving special attention to the Department's activities toward improving efficiency in its operations and thereby reducing personnel and expenditures. The Speaker and the Lieutenant Governor shall serve as cochairmen of the special committee. The special committee's review of the Department shall include the actions of the Board of Transportation; contracts completed; revenues and expenditures; the use of State funds in relation to federal funds; the use of prison labor; major personnel changes; progress in restructuring the Department's budget and fiscal records so as to be more readily understood by the State Auditor, members of the General Assembly, and others; major equipment transactions; use of motor vehicles by the Department; and ferry operations.

Sec. 2. The Legislative Services Commission shall provide professional and other staff assistance for the special committee. All costs of the committee, including subsistence and travel allowances for members, shall be paid from the General Assembly's Reserve for Contingencies and Emergencies.

Sec. 1. This resolution is effective upon ratification.

In the General Assembly read three times and ratified,
this the 10th day of July, 1981.

JAMES C. GREEN

James C. Green

President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey

Speaker of the House of Representatives

LEGISLATIVE
NOV 24 1982
DRAFTING

A JOINT RESOLUTION AUTHORIZING THE CONTINUATION OF THE SPECIAL COMMITTEE TO STUDY THE DEPARTMENT OF TRANSPORTATION.

Whereas, the 1981 General Assembly adopted House Joint Resolution 1225 (Resolution 60) creating the Special Committee to Study the Department of Transportation; and

Whereas, this Special Committee has worked diligently during 1982 to monitor the Department's progress in carrying out the General Assembly's recommendation, directives or base budget actions and to investigate additional areas; and

Whereas, the Department has saved or avoided spending approximately \$45 million since the beginning of the fiscal year by carrying out its statutory directives from the General Assembly; and

Whereas, on its own initiative, the Department has made additional cost improvements resulting in significant savings; and

Whereas, the Special Committee's work has led to improved communications and understanding between the General Assembly and the Department; and

Whereas, the Special Committee found that continued monitoring of the Department by the General Assembly is beneficial during lean economic times; and

Whereas, the Special Committee recommended that its work be continued; Now therefore

Be it resolved by the House of Representatives, the Senate concurring:

Section 1. The Special Committee to Study the Department of Transportation created in Resolution 60 of the 1981 Session Laws is continued until January 1, 1985.

Sec. 2. This resolution is effective upon ratification.